AGENDA
CITY COUNCIL OF THE CITY OF UNIVERSAL CITY, TEXAS
2150 Universal City Blvd, Universal City, TX 78148
Regular Meeting, Wednesday, October 02, 2024 @ 6:30 P.M.

1. CALL TO ORDER: Mayor Tom Maxwell at 6:30 p.m.
2. QUORUM CHECK and VOTE TO CONSIDER THE EXCUSE OF ABSENT MEMBERS (if applicable):
3. INVOCATION and PLEDGE OF ALLEGIANCE:
4. STAFF REPORTS AND OTHER DISCUSSION ITEMS: Items in this section are not expected to require action by City Council and are generally for information only. However, any item listed in this section may become an action item without further notice with the consent of the Mayor at the request of any Councilmember.
   a. CITY MANAGER'S REPORT:
   b. STAFF REPORT:
5. CITIZENS TO BE HEARD: At this time, the public is invited to address the City Council and speak on any matter not specifically listed for public hearing elsewhere in this agenda. *PLEASE NOTE NO CITY COUNCIL DISCUSSION, RESPONSE, DELIBERATION, OR ACTION WILL BE TAKEN ON THIS TOPICS AT THIS TIME.* Please limit your comments to three minutes.
6. ANNOUNCEMENTS: With respect to items not listed elsewhere on this agenda, members may report on items of community interest e.g., community or employee awards, proclama, events, and recognitions. Members may also request specific information or a recitation of existing policy from Staff, or request placement of items on the agenda for discussion or action at a following meeting.
   a. CITY MANAGER'S ANNOUNCEMENTS
   b. COUNCILMEMBERS' ANNOUNCEMENTS
   c. MAYOR'S ANNOUNCEMENTS –
      i. Proclamation: Texas Teacher's Day 2024 (October 05, 2024)
7. CONSENT AGENDA:

   TAB A: All matters listed under this item are considered to be routine by City Council and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and considered separately.
   1) Consider the minutes of the Tuesday, 17 September 2024 Regular Meeting.
   2) Ordinance No. 581-PC-602 (ZC 260)-2024: An ordinance of the City of Universal City approving a Zoning Map Amendment for an approximately 0.4880-acre tract located at 840 North Boulevard (CB 5053D BLK LOT 4 EXC S IRR 4.2 FT) from C2-Retail District to C1-Neighborhood Services District.
   3) Ordinance No. 655-R-2024 (PC 610 SU 025): An ordinance approving a Specific Use Permit to Modern Geosciences for a Professional Office Use in a C2-Retail District on property located at 121 W. Wright Boulevard, Universal City, Texas (CB 5768 BLK 14 LOT 23 THRU 26); providing for non-severability; and establishing an effective date.
8. ACTION ITEMS:

   TAB B: Utility Bad Debt Write-Off.

   TAB C: Resolution 960-A-2024 (PFIA Policy): A resolution of the City of Universal City, Texas, outlining its Policy for the Investment of Public Funds.
9. DISCUSSION ITEMS: All matters listed under this item are meant for discussion only but may result in motions for consideration under a future Action Item.

   NO TAB 1: Public Meeting Space Discussion.
10. ADJOURNMENT:

In accordance with the requirements of Texas Government Code section 551.127, a member of the governing body may participate in this meeting from a remote location. A quorum of the governing body as well as the presiding officer shall be physically present at the above posted location, which shall be open to the public. The video and audio feed of those participating remotely shall be visible and audible to the public for all open portions of the meeting. A member of a governmental body who participates in a meeting remotely as provided by law, shall be counted as present at the meeting for all purposes.

All items on the agenda are eligible for possible discussion and action. The City Council reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices,) and 551.086 (Economic Development).

This facility is wheelchair accessible & accessible parking spaces are available. Requests for accommodation or interpretive services must be made 72 hours prior to this meeting. Please contact the city clerk's office at (210) 619-0701 if these services are needed.

Item 6-c-i

PROCLAMATION
City of Universal City, Texas

Texas Teacher's Day – October 5, 2024

WHEREAS, the City of Universal City's future strength depends on providing a high-quality education to all students; and

WHEREAS, teacher quality matters more to student achievement than any other school-related factor; and

WHEREAS, teachers spend countless hours preparing lesson plans and supporting students; and

WHEREAS, our City of Universal City teachers have demonstrated great resilience, adaptability, and creativity during the COVID-19 crisis and daily in their classrooms; and

WHEREAS, our community recognizes and supports its teachers in educating the children of this community; and

WHEREAS, #TeachersCan is a statewide movement supported by more than 150 partnering businesses and organizations committed to elevating the teaching profession and honoring the critical role teachers play in the success of Texas; and

NOW, THEREFORE, I, Tom Maxwell, Mayor of the City of Universal City, this 2ND day of OCTOBER, 2024 do hereby proclaim that the City Council of the City of Universal City joins #TeachersCan and its partnering entities across Texas in celebrating Texas Teachers' Day and proclaims October 5th, 2024, to be City of Universal City Teachers' Day; and

BE IT FURTHER PROCLAIMED that the City Council of the City of Universal City encourages members of our community to personally express appreciation to our teachers and display a light blue ribbon outside your homes or businesses the week of October 5th das a symbol of support for our educators.

CITY OF UNIVERSAL CITY, TEXAS

____

Tom Maxwell, Mayor

MINUTES
CITY COUNCIL OF THE CITY OF UNIVERSAL CITY, TEXAS
Regular Meeting, Tuesday, 17 September 2024

1. **CALL ORDER:** Mayor Tom Maxwell at 6:30 P.M.

2. **QUORUM CHECK and VOTE TO CONSIDER THE EXCUSE OF ABSENT MEMBERS (if applicable):** Maribel Garcia, Deputy City Clerk

Present:	**Staff Present:**
Mayor Tom Maxwell	Kim Turner, City Manager
Councilmember Ashton Bulman (Virtually)	Cynthia Trevino, City Attorney
Councilmember Bear Goolsby	Michael Cassata, Development Services Director
Councilmember Lori Putt	Randy Luensmann, Public Works Director
Councilmember Bernard Rubal	Christine Green, Finance Director
Councilmember Phil Vaughan	Maribel Garcia, Deputy City Clerk
	Todd Perna, Fire Chief
Absent:	Justin Garcia, Asst. Fire Chief/Fire Marshal
Christina Fitzpatrick, Mayor Pro Tem	Fire Department Staff

Ms. Garcia confirmed a quorum was present.

Mayor Maxwell explained the absence of Mayor Pro Tem Fitzpatrick.

Councilmember Goolsby moved to excuse her absence. Councilmember Vaughan seconded the motion.

Vote: Yeas: Goolsby, Vaughan, Bulman, Putt, Rubal
Nays: None

Motion to approve carried.

3. **INVOCATION and PLEDGE OF ALLEGIANCE:**

Mayor Maxwell asked resident Billy Hill to give the invocation. Mayor Maxwell led the Pledge of Allegiance to the United States and Texas flags.

4. **STAFF REPORTS AND OTHER DISCUSSION ITEMS:**
   a. **CITY MANAGER'S REPORT:** None.
   b. **STAFF REPORT:** None.

5. **CITIZENS TO BE HEARD:**

- Nancy Brewington, 1001 Pat Booker Rd., thanked the community for their support for her business, especially through the pandemic. She had been in the holistic wellness business for ten years in Universal City. She notified everyone that she would host a citywide three-month wellness challenge beginning in January.

- Billy Hill, 9023 Phoenix, commended Council for their compromise on the tax rate. He said it showed a commitment to residents and a willingness to work together. He felt that Council exemplified their commitment to doing what was best for residents, business owners, and other City stakeholders.

6. **PUBLIC HEARINGS:**

   a. **P.C. 611 (ZC 260) – A request for a Zoning Map amendment at 840 North Boulevard from C2-Retail District to C1-Neighborhood Services District, per Zoning Ordinance 581.**

      Mr. Cassata clarified the location, gave a summary of the history of the property as a daycare, and explained the Zoning requirements that required this prior non-conforming property to apply for a Zoning Map Amendment. Daycares are not allowed in their current zoning and non-conforming use lapsed after 120 days vacant. The property is adjacent to another C1 district as well as a Residential District. Mr. Cassata reported that of twenty legal notices sent, no responses were received.

      Mayor Maxwell opened the Public Hearing at 6:43 p.m. There being no public comment**, Mayor Maxwell closed the Public Hearing at 6:43:30 p.m.**

      Councilmember Goolsby and Mr. Cassata discussed the amount of time this process takes for businesses to complete. They discussed streamlining the process through the Comprehensive Plan.

      Councilmember Rubal was reassured regarding fire safety and potential loss of retail space; the building would comply with all safety requirements and this property was not an ideal retail space. Furthermore, the property had always been a daycare.

   b. **P.C. 610 (SU 025) – A request for a Specific Use Permit at 121 W. Wright Boulevard to allow a Professional Office use in a C2-Retail District, per Zoning Ordinance 581.**

      Mr. Cassata clarified the location of the property in the Aviation District and gave a summary of the history of the property. It was designed for two tenants. However, the applicant for the SUP would like to use the whole property. C2-Retail Districts require a SUP for Professional Offices Use, which the Planning & Zoning Commission unanimously recommended for approval.

      Mayor Maxwell opened the Public Hearing at 6:49 p.m. There being no public comment**, Mayor Maxwell closed the Public Hearing at 6:50 p.m.**

      Councilmember Goolsby and Mr. Cassata reiterated their discussion regarding the streamlining of Zoning process for businesses.

      Councilmember Putt commented on the diligence of the Planning & Zoning Commission in review of these cases.

      Councilmember Rubal was reassured by the applicant from Modern Geosciences who was present that the engineering firm would not keep any derived waste at their site, would keep all samples off site, and would only hold general sampling equipment such as small hand augers at the building. No heavy equipment would be stored onsite.

7. **ANNOUNCEMENTS:**

   a. **CITY MANAGER'S ANNOUNCEMENTS:**

      Mrs. Turner reminded everyone to sign up for Civic Ready, that Court would be conducting a case reduction program for the month of September, and that Heroes Day at the Pumpkin Patch would be held Saturday, October 5th starting at 10 a.m. She reported that Fall Clean-up would be held at

Public Works from October 17th through October 20th and October 24th through October 27th from 8 a.m. to 5 p.m. Waste Management would conduct brush pickup starting October 28th. She updated Council on the Kitty Hawk thoroughfare project and reminded Council that there would be a presentation by Olympia Hills on ongoing projects. She notified Council that UCTV, the City's public access channel, would be launched soon and gave them a brief description of the type of content to be posted on the channel.

c. MAYOR'S ANNOUNCEMENTS:

Mayor Maxwell had Councilmember Putt read the Fire Prevention Week proclamation, declaring Fire Prevention Week to be October 6-12 in Universal City. Their campaign this year regarding smoke alarms identified ways in which to make residences safer through property maintenance of smoke alarms. Mayor Maxwell presented the signed proclamation to Chief Perna and Assistant Chief/Fire Marshal Justin Garcia, who had six other firefighters there for the presentation.

b. COUNCILMEMBERS' ANNOUNCEMENTS:

Councilmember Putt commended the Fire Department for their work in the community. She reminded the public of upcoming Pumpkin Patch events and highlighted the Patch's contributions to local non-profit organizations.

Councilmember Rubal presented statistics that highlighted speeding on W. Byrd Blvd. After reminding Council of an item previously presented to them regarding traffic abatement using radar signs, he asked for consideration to place a discussion item at a future Council meeting for the consideration of placement of electronic traffic abatement signage on W. Byrd due to demonstrated need.

Council discussed and received clarification regarding the speed radar trailer under the Police Department compared to the electronic speed radar signs under Public Works. After Staff comment that Public Works and Police would have to weigh in on the placement of the radar, Mayor Maxwell agreed to put this discussion item on a future agenda.

Councilmember Rubal continued his presentation to bring attention to alleyway maintenance in the City. He compared before and after images of alleyways in the City. He inquired about funding in the FY 2025 budget for alleyway maintenance. He asserted that it was the City's responsibility to maintain the alleys he presented. He asked to place on a future agenda an item for discussion of the City's scheduled alleyway maintenance program and requested that Staff present City standards for maintaining rights-of-way. He explained that he wanted to place this item on the agenda for process improvements to understand schedules and potential costs for improving alleys and rights-of-way.

Councilmember Goolsby agreed to the agenda item if there was no Council discussion and only a presentation by Staff on maintenance standards.

Mayor Maxwell noted that much of the alleyway maintenance belongs to residents. He agreed to create a future agenda item for a presentation by Staff to identify responsibilities of alleyway cleanup, Code Compliance enforcement, and required maintenance.

Councilmember Rubal continued his presentation and addressed the golf course and venue tax. He asked to place on the agenda a Staff Report with a clear definition of a Municipal Enterprise Fund and accepted operational goals for Enterprise Funds. He felt this was important before moving forward with a business plan for the golf course.

Mayor Maxwell expressed confusion at the motion, explaining that Municipal Enterprise Funds were defined in the budget.

Councilmember Rubal moved on to request that moving the Venue Tax to the General Fund be considered on a future agenda item.

Mayor Maxwell stated this should have been addressed in the budget process.

The other Councilmembers expressed their wishes to let the business plan and Comprehensive Plan processes play out before considering other action regarding the golf course.

Councilmember Rubal further requested to place on the agenda a request for Staff to report the history of the $80,000 per year billboard revenue and why the billboard revenue does not go to the General Fund, and whether there is an appropriate path for this to be accomplished.

Mayor Maxwell reiterated his statement that this should be discussed during the budget process.

Councilmember Vaughan commended the golf course for their ribbon cutting for the new greens. He hoped tee times would be booked.

c. MAYOR'S ANNOUNCEMENTS:

Mayor Maxwell reported the success of the golf course's new greens ribbon cutting and activity since reopening. He noted the new greens were advertised on ESPN. He also reported that this week was Hispanic Heritage Week and shared his experience at an HEB event for this celebration.

8. CONSENT AGENDA:

Councilmember Goolsby moved to approve the following Consent Agenda items, with the minutes of September 03, 2024 as amended:

1) Consider the minutes of the Tuesday, 20 August 2024 Regular Meeting.
2) Consider the minutes of the Tuesday, 03 September 2024 Regular Meeting.

Councilmember Putt seconded the motion.

Vote: Yeas: Goolsby, Putt, Bulman, Rubal, Vaughan
Nays: None

Motion to approve carried.

9. ACTION ITEMS:

B. Ordinance 656-E-2024: An ordinance setting the Ad Valorem Tax Rate for 2024 at $0.514382 per $100 of Appraised Value; and appointing a Tax Assessor/Collector (2nd Reading).

Councilmember Goolsby moved to approve Ordinance 646-E-2024 on second reading. Councilmember Vaughan seconded the motion.

Vote: Yeas: Goolsby, Vaughan, Bulman, Putt
Nays: Rubal

Motion to approve carried.

C. Ordinance No. 581-PC-602 (ZC 260)-2024: An ordinance of the City of Universal City approving a Zoning Map Amendment for an approximately 0.4880-acre tract located at 840 North Boulevard (CB 5053D BLK LOT 4 EXC S IRR 4.2 FT) from C2-Retail District to C1-Neighborhood Services District.

Councilmember Putt moved to approve Resolution 909-D-2024, a request to approve PC 611 (ZC 260) and to grant a zoning map amendment from C2-Retail District to C1-Neighborhood Services District for said property, after conducting a public hearing on the request for a zoning map amendment for the property at 840 North Boulevard and receiving the Planning & Zoning Commission's recommendation. Councilmember Goolsby seconded the motion.

Vote: Yeas: Putt, Goolsby, Bulman, Rubal, Vaughan
Nays: None

Motion to approve carried.

D. Ordinance No. 655-R-2024 (PC 610 SU 025): An ordinance approving a Specific Use Permit to Modern Geosciences for a Professional Office Use in a C2-Retail District on property located at 121 W. Wright Boulevard, Universal City, Texas (CB 5768 BLK 14 LOT 23 THRU 26); providing for non-severability; and establishing an effective date.

Councilmember Goolsby stated that after conducting a public hearing on the request for a Specific Use Permit for the property at 121 W. Wright Boulevard and receiving the Planning & Zoning Commission's recommendation, the City Council had considered the request and he moved to approve PC 610 (SU 025) and to grant a specific use permit to allow a Professional Office use to Modern Geosciences, an environmental services and engineering firm. Councilmember Vaughan seconded the motion.

Vote: Yeas: Goolsby, Vaughan, Bulman, Putt, Rubal
Nays: None

Motion to approve carried.

E. Resolution 961-B-2024: A resolution amending the Fiscal Year 2023/2024 Budget of the City of Universal City, Texas.

Mrs. Turner explained that the City Charter requires the City to have a balanced budget and can balance the budget by adopting an amendment. Since the budget is passed by resolution, an amendment must also be passed by resolution.

Councilmember Vaughan moved to approve Resolution 961-B-2024. Councilmember Putt seconded the motion.

Vote: Yeas: Vaughan, Putt, Bulman, Goolsby
Nays: Rubal

Motion to approve carried.

F. Resolution No. 974-2024: A resolution by the City Council of the City of Universal City, Texas supporting State legislation to establish a dedicated funding mechanism for the Disabled Veterans Homestead Exemption (DVHS) Program and other matters in connection therewith.

Mrs. Turner explained that the resolution did not request a change to the exemption provided to disable veterans. Rather, it asks the State to use a portion of their $26 billion surplus in their budget to fund a pledge they made to reimburse cities whose ad valorem tax revenue was disproportionately affected by the DVHS exemption. She noted the shortcomings of reimbursement in past years. Mrs. Turner clarified that not all cities would qualify as the city limits must border a military base. She noted the affect this exemption has on the tax rate.

Councilmember Vaughan moved to approve Resolution No. 974-2024. Councilmember Goolsby seconded the motion.

Vote: Yeas: Vaughan, Goolsby, Bulman, Putt, Rubal
Nays: None

Motion to approve carried.

G. Texas Municipal League (TML) Intergovernmental Risk Pool Board of Trustees Election.

Mayor Maxwell reminded Council of his distribution of the ballots and his request for feedback. He reported that feedback had been mostly in favor of incumbents. He presented this item with that feedback in mind.

Councilmember Rubal requested that future votes of this nature be conducted during meetings where all Councilmembers' ballots can be tallied to decide how to cast the vote as an entity.

Councilmember Putt moved to approve the ballots as presented. Councilmember Goolsby seconded the motion.

Vote: Yeas: Putt, Goolsby, Bulman, Rubal, Vaughan
Nays: None

Motion to approve carried.

H. Moving or cancelling future Regular City Council Meetings – October 1 for National Night Out and November 5 for National Election Day.

Mrs. Turner explained that National Night Out was October 1. Councilmembers usually liked to either throw their own block parties or attend block parties in their neighborhoods. City Council had the option to move their October 1 meeting to Wednesday, October 2. They had the same option for the November 5 meeting which could be moved to Wednesday, November 6. The November 5 meeting would have to be moved as the City Council Chamber would be used as an Election Day polling station for the National Elections held that day.

After Council considered upcoming agenda items and City business to be considered, they determined the meetings should be moved instead of cancelled. If there was a meeting with insufficient items, it would be cancelled by the Mayor and Councilmembers would be notified.

Councilmember Goolsby moved to reschedule the October 1, 2024 City Council Regular Meeting to Wednesday, October 2, 2024 at the same time and location. Furthermore, he moved to reschedule the November 5, 2024 City Council Regular Meeting to Wednesday, November 6, 2024 at the same time and location. Councilmember Putt seconded the motion.

Vote: Yeas: Goolsby, Putt, Bulman, Rubal, Vaughan
Nays: None

Motion to approve carried.

9. ADJOURNMENT: Mayor Maxwell adjourned the meeting at 7:43 P.M.

APPROVED:

____
Tom Maxwell, Mayor

ATTEST:

____
Maribel Garcia, Deputy City Clerk

TAB A-2

CITY OF UNIVERSAL CITY

Date: 9/10/2024

TO: City Council

FROM: Kim M. Turner, City Manager

SUBJECT: **Public Hearing:** P.C. 611 (ZC 260)— Request for a Zoning Map Amendment at 840 North Boulevard from C2-Retail District to C1-Neighborhood Services District, per zoning ordinance 581.

SUBJECT: **Ordinance No. 581-PC-602 (ZC 260)-2024**— Request for a Zoning Map Amendment at 840 North Boulevard from C2-Retail District to C1-Neighborhood Services District, per zoning ordinance 581.

Historical Background

In 2002, the commercial building was constructed and occupied by a commercial day care service, A Garden for Children, which, at the time, was a permitted use by-right in the Class-2 District. In 2007, the property's zoning classification changed from Class-2 to C2-Retail District. Additionally, the Zoning Code land use table was updated to require a conditional use permit for commercial day care services in the C2-Retail District. As a result, A Garden for Children became a nonconforming use that allowed it to continue operations. In 2020, the Zoning Code land use table was revised. As a result, commercial day care services were no longer permitted in the C2-Retail District but became a permitted use by-right in the C1-Neighborhood Services District. As a result, A Garden for Children continued to operate under its nonconforming status.

On October 25, 2023, A Garden for Children vacated the subject property. Per Section 4-5-65-Nonconforming Buildings and Uses of the Zoning Code, a nonconforming building unoccupied for 120 days can be reoccupied with a use that conforms with the current code. However, since commercial day care services are no longer permitted in the C2-Retail District, a new commercial day care service could not reoccupy the subject building because the building has been vacant for at least 120 days. As a result, the property owner is requesting a rezoning from C2-Retail to C1-Neighborhood Services to allow a new commercial day care service to occupy the building by-right.

Twenty (20) notices were sent out to surrounding property owners; none were returned. No one other than the prospective tenant spoke "for" or "against" the proposed SUP at the Planning & Zoning Public Hearing. The members of the Planning & Zoning Commission unanimously approved the SUP and forwarded the SUP request to City Council for its final determination.

Action Requested

City Council will need to conduct a **Public Hearing** on the rezoning request and then make a final consideration on the rezoning ordinance: **Ord. No. 581-PC-602 (ZC 260)-2024**, attached. Per the City Charter, the Ordinance will require two readings.

Procurement Methodology

This is a zoning procedure only and requires no procurement by the City.

Source and Amount of Funding

This is a zoning procedure only and requires no funding by the City.

Staff Recommendation

Staff recommends approval of the rezoning request. The subject property is adjacent to both a C1-Neighborhood Services District and R2-Low Density Residential District and the proposed commercial day care service complements these neighboring low-intensity uses.

840 North Boulevard

Aerial Map

PC 611 ZC 260
840 NORTH BLVD

Date Prepared: Monday, Aug. 5, 2024

0 250 500 Feet

N

Legend

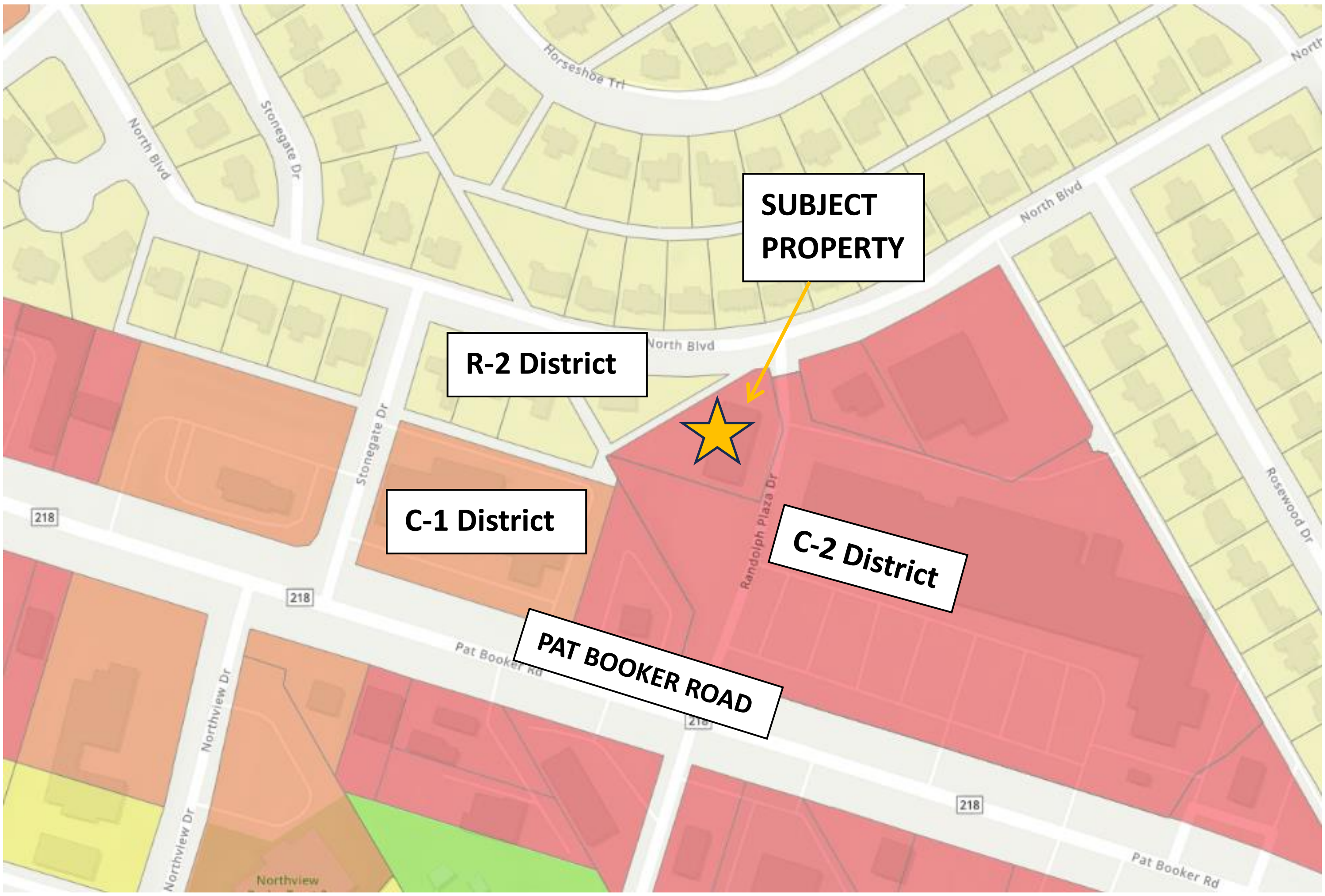
200 Ft Buffer

Affected Parcels

The City of Universal City
Texas
2150 Universal City Blvd
Universal City, TX 78148

840 North Boulevard

Zoning District Map



840 NORTH BOULEVARD - PHOTOS

ORDINANCE NO. 581-PC-602 (ZC 260)-2024
(840 North Boulevard)

AN ORDINANCE OF THE CITY OF UNIVERSAL CITY APPROVING A ZONING MAP AMENDMENT FOR AN APPROXIMATE 0.4880-ACRE TRACT LOCATED AT 840 NORTH BOULEVARD (CB 5053D BLK LOT 4 EXC S IRR 4.2 FT) FROM C2-RETAIL DISTRICT TO C1-NEIGHBORHOOD SERVICES DISTRICT

WHEREAS, Chapter 211 of the Texas Local Government Code empowers the City Council of the City of Universal City to enact zoning regulations and districts and provide for their administration, enforcement and amendment; and

WHEREAS, Chapter 211 of the Texas Local Government Code requires notice and public hearings prior to any zoning classification change; and

WHEREAS, Denise Goring, the property owner, has requested a change in zoning classification from C2-Retail District to C1-Neighborhood Services District; and

WHEREAS, the Planning and Zoning Commission and the City Council of the City of Universal City has complied with all notice and public hearing requirements of the Code of Ordinances of the City of Universal City and Chapter 211 of the Texas Local Government Code; and

WHEREAS, in keeping with the spirit and objectives of the City's zoning regulations and policies**,** the City Council has given due consideration to all components of said district and the recommendations of the Planning and Zoning Commission concerning recommended requirements, conditions, and safeguards necessary to protect the best interests of the community; and

WHEREAS, it is the intent of the City Council to provide harmony between existing zoning districts and proposed land uses; and

WHEREAS, the City Council desires to amend the Zoning Map by rezoning an approximate 0.4880-Acre tract located at 840 North Boulevard (CB 5053D BLK LOT 4 EXC S IRR 4.2 FT) from C2-Retail District to C1-Neighborhood Services District; and

WHEREAS, the City Council specifically finds that the requirements specified herein are rationally related to protecting the public purposes of lessening congestion in the streets, securing the safety of its citizens from fire, panic, and other dangers, promoting the health and the general welfare of its citizens; preventing the overcrowding of land, and avoiding undue concentration of population.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF UNIVERSAL CITY:

SECTION 1. The recitals set out above are adopted herein for all purposes.

SECTION 2. The Official Zoning Map of the City of Universal City, in accordance with the Property described and depicted in Exhibit "A", is hereby amended by rezoning an approximate 0.4880-Acre tract located at 840 North Boulevard (CB 5053D BLK LOT 4 EXC S IRR 4.2 FT) from C2-Retail District to C1-Neighborhood Services District, subject to the conditions set out in Section 3.

SECTION 3. Pursuant to Section 4-5-24 (entitled "Zoning Map Amendment Process") of the Code of Ordinances, the following conditions are imposed:

No conditions are imposed.

SECTION 4. All provisions of the Code of Ordinances of the City of Universal City not herein amended or repealed shall remain in full force and effect.

SECTION 5. All other ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent that they are in conflict.

SECTION 6. This ordinance is not severable.

SECTION 7. This ordinance will take effect upon its passage, approval and publication as provided by law.

PASSED, on first reading by the City Council of the City of Universal City on this the 17th day of September 2024.

PASSED AND APPROVED, on second reading by the City Council of the City of Universal City on this the 1st day of October 2024.

UNIVERSAL CITY

____
Tom Maxwell, Mayor

Attest:

____
Maribel Garcia, Deputy City Clerk

Approved as to form:

____
Cynthia Trevino, City Attorney
Denton Navarro Rodriguez Bernal Santy & Zech, P.C.

EXHIBIT "A"

PROPERTY DESCRIPTION & DEPICTION

PROPERTY DESCRIPTION: 840 NORTH BOULEVARD (CB 5053D BLK LOT 4 EXC S IRR 4.2 FT)

LOT 4, RANDOLPH PLAZA, IN THE CITY OF UNIVERSAL CITY, BEXAR COUNTY, TEXAS, ACCORDING TO PLAT THEREOF RECORDED IN VOLUME 5300, PAGE(S) 137, DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS, SAVE AND EXCEPT A 0.015 OF AN ACRE TRACT, MORE OR LESS, CONVEYED TO CHARLES A. BOEMECKE, TRUSTEE IN VOLUME 2933, PAGE 124, REAL PROPERTY RECORDS OF BEXAR COUNTY, TEXAS.

PROPERTY DEPICTION:

Motion to Approve:

PC 611 (ZC 260)

After conducting a public hearing on the request for a zoning map amendment for the property at 840 North Boulevard and receiving the Planning and Zoning Commission's recommendation, City Council has considered the request and moves to approve PC 611 (ZC 260) and to grant a zoning map amendment from C2-Retail District to C1-Neighborhood Services District for the property at 840 North Boulevard.

TAB A-3

CITY OF UNIVERSAL CITY

Date: 9/10/2024

TO: City Council

FROM: Kim M. Turner, City Manager

SUBJECT: **Public Hearing:** P.C. 610 (SU 025)— Request for a **Specific Use Permit** at 121 W. Wright Boulevard to allow a Professional Office use in a C2—Retail District, per zoning ordinance 581.

SUBJECT: **Ordinance No. 655-R-2024**— Request for a **Specific Use Permit** at 121 W. Wright to allow a Professional Office use in a C2-Retail District, per zoning ordinance 581.

Historical Background

The two-tenant commercial building on the property is approximately 1,700 square feet, formerly occupied by one user, Summit Signs. Modern Geosciences, an environmental services/engineering firm, is proposing to locate their administrative offices in the entire building. The Zoning Code allows Professional Office uses in the C2-Retail District as a Specific Use. The Council is reminded that the SUP would apply only to Modern Geosciences and would not be transferable to another user.

Seventeen (17) notices were sent out to surrounding property owners; none were returned. No one other than the prospective tenant/property owner spoke “for” or “against” the proposed SUP at the Planning & Zoning Public Hearing. The members of the Planning & Zoning Commission unanimously approved the SUP and forwarded the SUP request to City Council for its final determination.

Action Requested

City Council will need to conduct a **Public Hearing** on the SUP and then make a final consideration on the **SUP Ordinance:** Ord 655-R-2024, attached. Per the City Charter, the Ordinance will require two readings.

Procurement Methodology

This is a zoning procedure only and requires no procurement by the City.

Source and Amount of Funding

This is a zoning procedure only and requires no funding by the City.

Staff Recommendation

Staff recommends approval of the SUP for a Professional Office use at 121 W. Wright Boulevard. Having an environmental services/engineering firm located in the Aviation District complements the Masterplan.

121 W Wright Boulevard

Aerial Map

PC 610 SU 025
121 W WRIGHT BLVD

Date Prepared: Monday, Aug. 5, 2024

0 200 400 Feet

N

Legend

200 Ft Buffer

Affected Parcels

UNIVERSAL CITY
Gateway to Randolph AFB
Est. 1960

The City of Universal City
Texas
2150 Universal City Blvd
Universal City, TX 78148

121 W Wright Boulevard

Source: Google Earth

Use	C1	C2	C3	C4	C5
Establishments primarily engaged in the provision of informational, instructional, personal improvement and similar services of a nonprofessional nature. Typical uses include photography studios, driving schools, health or physical fitness studios, reducing salons, dance studios, handicraft and hobby instruction.					
Personal services.	P	P	P	-	P
Establishments or places of business primarily engaged in the provision of frequently or recurrently needed services of a personal nature. Typical uses include beauty and barber shops, seamstress, tailor, shoe repair shops and self-service laundry or self-service apparel cleaning services.					
Professional office.	P	S	P	P	P
A use providing professional or consulting services in the fields of law, architecture, design, engineering, accounting and similar professions.					
Restaurant—Convenience.	P	P	P	-	P
A use engaged in the preparation and retail sale of food and beverages (excluding alcoholic beverages), for on-premises consumption only. Typical uses include soda fountains, ice cream parlors, sandwich shops and coffee shops.					
Restaurant—General.	S	P	P	-	P
A use engaged in the preparation and retail sale of food and beverages, including sale of alcoholic beverages when conducted as an accessory or secondary feature and producing less than fifty (50) percent of the gross income. A general restaurant may include live entertainment. Typical uses include restaurants, both full service and fast food, coffee shops, dinner houses and similar establishments with incidental alcoholic beverage service.					
Veterinary services.	S	-	P	P	-
Veterinary service for all animals. Typical uses include animal clinics and hospitals. Veterinary services shall not include the boarding of large animals.					
Hotel-motel.	-	S	P	-	P
Lodging services involving the provision of room and/or board. Typical uses include hotels and motels.					
Local convenience store.	S	P	P	S	P

TAB A-3

ORDINANCE NO. 655-R-2024 (PC 610 SU 025)
(121 W. Wright Boulevard)

AN ORDINANCE APPROVING A SPECIFIC USE PERMIT TO MODERN GEOSCIENCES FOR A PROFESSIONAL OFFICE USE IN A C2-RETAIL DISTRICT ON PROPERTY LOCATED AT 121 W. WRIGHT BOULEVARD, UNIVERSAL CITY, TEXAS (CB 5768 BLK 14 LOT 23 THRU 26); PROVIDING FOR NON-SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, in accordance with Section 4-5-54 of the Code of Ordinances, City Council may approve an application for a Specific Use Permit to provide some flexibility to traditional zoning by offering a mechanism to balance specific site constraints and development plans with the larger interest of the community and the integrity of the Zoning Ordinance; and

WHEREAS, as described in Section One of this Ordinance, an application has been made for a Specific Use Permit; and

WHEREAS, the Zoning Table of Uses authorizes City Council to issue the Specific Use Permit; and

WHEREAS, after proper delivery of notice, the Planning and Zoning Commission conducted a public hearing on the application for the Specific Use Permit on September 9, 2024; and

WHEREAS, at the conclusion of the public hearing, the Planning and Zoning Commission made a recommendation in favor of the application for the Specific Use Permit and made the findings required by Section 4-5-54 of the Code of Ordinances as follows:

- The proposed use is in accord with the objectives of these regulations and the purposes of the district in which the site is located.
- That the proposed use will comply with each of the applicable provisions of these regulations.
- That the proposed use and site development, together with any modifications applicable thereto, will be completely compatible with existing or permitted uses in the vicinity.
- That the conditions applicable to approval are the minimum necessary to minimize potentially unfavorable impacts on nearby uses and ensure compatibility with existing or permitted uses in the same district and the surrounding area, and that the prescribed zoning standards do not provide enough mitigation of the impacts identified, thus warranting stricter standards, if so recommended.
- The Commission has given due consideration to all technical information supplied by the applicant.
- That the proposed use, together with the conditions applicable thereto, will not be detrimental to the public health, safety or welfare or materially injurious to properties or improvements in the vicinity; and

WHEREAS, after proper publication of notice and receipt of the Planning and Zoning Commission's recommendation, City Council conducted a public hearing on the application for the Specific Use Permit on September 17, 2024; and

WHEREAS, after conducting a public hearing on the matter wherein the testimony and comments of members of the public were received, City Council made the findings required by Section 4-5-54 of the City Code as set out infra.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF UNIVERSAL CITY, TEXAS:

SECTION 1. The recitals set out above are adopted herein for all purposes.

SECTION 2. The application for a Specific Use Permit by Modern Geosciences for a Professional Office use in a C2-Retail District on property located at 121 W. Wright Boulevard, Universal City, Texas (CB 5768 BLK 14 LOT 23 THRU 26), is hereby approved, subject to the conditions set out in Section 3.

SECTION 3. Pursuant to Section 4-5-54 (entitled "Specific Use Regulations") of Code of Ordinances**,** the following conditions are imposed:

No conditions are imposed.

SECTION 4. All provisions of the Code of Ordinances of the City of Universal City not herein amended or repealed shall remain in full force and effect.

SECTION 5. All other ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent that they are in conflict.

SECTION 6. This ordinance is not severable.

SECTION 7. This ordinance will take effect upon its passage, approval and publication as provided by law.

PASSED, on first reading by the City Council of the City of Universal City on this the 17th day of September 2024.

PASSED AND APPROVED, on second reading by the City Council of the City of Universal City on this the 1st day of October 2024.

UNIVERSAL CITY

____
Tom Maxwell, Mayor

Attest:

____
Maribel Garcia, Deputy City Clerk

Approved as to form:

____
Cynthia Trevino, City Attorney
Denton Navarro Rodriguez Bernal Santy & Zech, P.C.

Motion to Approve:

PC 610 (SU 025)

After conducting a public hearing on the request for a Specific Use Permit for the property at 121 W. Wright Boulevard and receiving the Planning and Zoning Commission's recommendation, City Council has considered the request and moves to approve PC 610 (SU 025) and to grant a specific use permit to allow a Professional Office use to Modern Geosciences, an environmental services and engineering firm.

TAB B

UNIVERSAL CITY
Gateway to Randolph AFB

To: City Council

From: Kim M. Turner, City Manager

Christine Green, Finance Director

Date: October 2, 2024

RE: Utility Bad Debt Write-off

Historical Background

Staff reviews the City's aging utility accounts annually to determine the number of accounts and amounts that have gone unpaid for a four-month period or longer. For the fiscal year 2024, there are 168 accounts that meet the criteria. These accounts total $30,843.11; an average of $183 per account. Historically, bad debt write-offs occur in October to prepare for the annual audit. A typical utility debt write-off ranges between $20,000 and $30,000 annually. The 168 accounts are comprised as follows:

- 5 accounts that the customer is deceased outstanding due for these accounts is $2017.70
- 18 accounts with amounts due of less than $25. Any account less than $25 will not be sent out to collections.
- 145 accounts sent to collections

Action Requested

Approve the Utility Bad Debt Write-off in the amount of $30,843.11 as of 9/30/24.

Collections Process

1. Monthly bill by email or mail
2. Ten Day Disconnect Late Notice: email, mail, and a phone call with voice message.
3. Disconnect
4. Collections

Source and Amount of Funding

2024 Budget. Utility Department revenue: ($30,843.11).

Staff Recommendation

Approve the Utility Bad Debt Write-off in the amount of $30,843.11 as of 9/30/24. Although, the debt has been written off collection efforts continue by staff and/or the accounts will be sent out to collections.

=========== R E P O R T T O T A L S ===========

==== R E V E N U E C O D E T O T A L S ====

REVENUE CODE:	--CURRENT--	+1 MONTHS	+2 MONTHS	+3 MONTHS	+4 MONTHS	--BALANCE--
551-EAA MANAGMENT FEE	21655.85	326.53	193.91	146.07	909.24	23231.60
600-History Only	226.77	0.00	0.00	0.00	0.00	226.77
602-CREDIT WRITE-OFF	131.58	2.71	0.00	0.00	0.00	134.29
604-Brush Chipping Service	159.73	0.00	0.00	0.00	35.45	195.18
605-BRUSH CHIP PYMT PENALTY	7.75	0.00	0.00	0.00	12.00	19.75
700-Return Check Fee	99.36	50.00	0.00	0.00	0.00	149.36
800-LEAK ADJ CONTRACT	546.57	130.77	0.00	0.00	415.80	1093.14
996-Unapplied Credit	41147.49CR	4.26CR	0.00	0.00	0.00	41151.75CR
999-Refund	2619.39CR	752.75	0.00	0.00	0.00	1866.64CR
TOTALS	750392.34	10004.40	5291.33	4105.26	30847.13	800640.46

TOTAL REVENUE CODES: 800,640.46
TOTAL ACCOUNT BALANCE: 800,640.46
DIFFERENCE: 0.00

G/L POSTING DATE: 10/03/2024 ** TRANSFER TO BAD DEBT **

PACKET: 29765

POSTING TYPE: BOTH

COMMENT CODE: 2024 -2024 10/2023-09/2024

FLAG ACCOUNT: NO

ACCOUNT NO ============ NAME ============	BALANCE LAST BILL						
[redacted]	186.16	100-Water	48.60	200-Sewer	104.80	300-Garb	20.45
	1/25/2024	301-GARB F	2.28	375-Tax	1.88	500-FSWU	4.46
		551-EAA MA	3.69				
[redacted]	117.21	100-Water	38.15	200-Sewer	32.35	300-Garb	29.17
	5/29/2024	301-GARB F	3.24	375-Tax	2.67	500-FSWU	6.36
		551-EAA MA	5.27				
TOTALS NUMBER OF ACCOUNTS: 168	30,843.11	100-Water	9,189.95	101-Water	110.50	102-Water	896.20
		105-Recon	46.50	106-Conn	210.00	111-RWPEN	461.07
		114-CWPEN	45.81	200-Sewer	9,577.71	202-Sewer	601.91
		211-RSSPEN	485.89	213-CSSPEN	37.07	300-Garb	5,373.80
		301-GARB F	597.40	311-GAPEN	280.52	375-Tax	492.31
		500-FSWU	1,173.67	502-FSWU	229.53	514-RFSWP	61.91
		516-CFSWP	16.43	551-EAA MA	954.93		

ACCOUNT	SOURCE NAME	AMOUNT
04 -1300.1311	ACCOUNT RECEIVABLE CUSTOMER	29,361.57CR
04 -1300.1312	ALLOWANCE FOR UNCOLLECTIBLES	29,361.57
09 -1300.1317	A/R - CUSTOMER	1,481.54CR
09 -1300.1319	ALLOWANCE FOR UNCOLLECTIBLES	1,481.54

WARNINGS: 0

ERRORS: 0

** END OF REPORT **

TAB C

CITY OF UNIVERSAL CITY

Date: 10/02/2024

TO: City Council

FROM: Christine Green, Finance Director

SUBJECT: Resolution 960-A-2024 Policy for Investment of Public Funds

Historical Background

Chapter 2256 of the Texas Government Code requires the City's Investment Policy be renewed annually.

Action Requested

Council Adoption of the Investment Policy and Strategy for FY 2025

Staff Recommendation

No changes are required to the policy; only readoption is required. Staff recommends the Council Adoption of the Investment Policy and Strategy for FY 2025.

Attachments: Exhibit A – City of Universal City, Texas Investment Policy and Strategy

RESOLUTION 960-A-2024

A RESOLUTION OF THE CITY OF UNIVERSAL CITY, TEXAS, (HEREINAFTER REFERRED TO AS "CITY") OUTLINING ITS POLICY FOR THE INVESTMENT OF PUBLIC FUNDS.

WHEREAS, Chapter 2256 of the Texas Government Code, commonly known as the "Public Funds Investment Act," requires the City to adopt an investment policy by rule, order, ordinance, or resolution; and

WHEREAS, the City is required to review the City's Investment Policy annually; and

WHEREAS, the Public Funds Investment Act requires the treasurer, the chief financial officer, if not the treasurer; and the investment officer of the City to attend investment training; and

WHEREAS, the City of Universal City, Texas, approves of the investment training course sponsored by the Texas Municipal League; and

WHEREAS, the treasurer; the chief financial officer, if not the treasurer; and the investment officer of the City have attended an investment training course sponsored by the Texas Municipal League or UNT, as required by the Public Funds Investment Act; and

WHEREAS, the attached Investment Policy complies with the Public Funds Investment Act and authorizes the investment of City funds in safe and prudent investments.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Universal City, Texas, that

The City of Universal City, Texas, has complied with the requirements of the Public Funds Investment Act, and the Investment Policy attached hereto as "Exhibit A," is hereby adopted as the Investment Policy of the City, effective October 2, 2024, and supersedes all previous versions of the Investment Policy.

Passed, adopted, and approved by the City Council of the City of Universal City, Texas, this the 2nd of October 2024.

CITY OF UNIVERSAL CITY, TEXAS
APPROVED:

____
Tom Maxwell, Mayor

ATTEST:

____
Maribel Garcia, Deputy City Clerk

Exhibit A
CITY OF UNIVERSAL CITY, TEXAS
INVESTMENT POLICY AND STRATEGY
ADOPTED October 2, 2024

I. INTRODUCTION

It is the policy of the City of Universal City, Texas that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal while meeting the daily cash flow needs of the City and conforming to the Public Funds Investment Act (the "Act") Texas Government Code Chapter 2256. It is the intent of the City to be in complete compliance with local law and the Act.

The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. The earnings from investment will be used in a manner that best serves the interests of the City.

The purpose of this Policy is to set specific investment policy and strategy guidelines. Direct specific investment parameters for the investment of public funds in Texas are found in the Act. The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public Texas funds deposits.

II. SCOPE

This investment policy applies to all financial assets of the City and any new funds created unless specifically exempted by the City Council and this Policy.

III. OBJECTIVES

It is the policy of the City that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity. To match anticipated cash flow requirements the maximum weighted average maturity (WAM) of the overall portfolio may not exceed 12 months.

<u>Safety</u>
The primary objective of the investment activity is the preservation of capital. Each investment transaction shall be conducted in a manner to avoid capital losses, whether from security defaults, safekeeping, or erosion of market value. Investments in high credit quality securities and decisions based on anticipated cash needs are primary factors in providing safety.

<u>Liquidity</u>
The investment portfolio shall be structured to meet all expected obligations in a timely manner. This shall be achieved by matching investment maturities with forecasted cash flow liabilities and maintaining additional liquidity for unexpected liabilities.

<u>Diversification</u>
The portfolio shall be diversified by institution, market sector and maturity as much as possible

<u>Yield</u>
The benchmark for the commingled portfolio shall be the comparable period - twelve (12) months U.S. Treasury Bill, designated for its comparability to the expected average cash flow pattern and the Policy maximum weighted average maturity (WAM) limit of twelve (12) months. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified and the City's prudent investment strategy.

Cash management is the process of managing funds in order to ensure maximum cash availability and reasonable yield on short-term investments. The City shall strive for a cash management program which includes timely collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of assets.

IV. INVESTMENT STRATEGY

The City may maintain one commingled portfolio for investment purposes which incorporates the specific uses and the unique characteristics of the funds in the portfolio. The investment strategy has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. The City shall pursue a pro-active but conservative portfolio management strategy. This may be accomplished by creating a laddered maturity structure with some extension for yield enhancement. The maximum maturity of any security will be twenty-four (24) months and the maximum dollar weighted average maturity of twelve (12) months or less will be calculated using the stated final maturity date of each security.

The investment strategy for debt service funds shall have as its primary objective the timely payment of debt service obligations. Successive debt service dates will be fully funded before any investment extensions are made.

V. DELEGATION OF RESPONSIBILITY

No unauthorized person may engage in an investment transaction and all transactions shall be executed as provided under the terms of this Policy and its supporting procedures.

Investment Officer(s)
The City Manager and Director of Finance will be designated as Investment Officers by City Council resolution, responsible for investment decisions and activities. The Investment Officer(s) are responsible for creating and maintaining the portfolio in accordance with this Policy, providing timely quarterly reporting to the Council, and establishing supporting procedures. The City may further contract with an SEC registered investment adviser for non-discretionary management of the portfolio.

All investment officers shall attend at least ten (10) hours of training, from sources approved by the City Council, within twelve months of designation as investment officer and shall attend eight (8) hours of training every two successive fiscal years.

Investment Officers shall refrain from personal and business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Disclosure shall be made to the City Manager. An Investment Officer who has a personal business relationship within the two levels of blood or marriage with an organization seeking to sell an investment to the City who meets the parameters established in the Act, shall file a statement disclosing that relationship to the City Council and the Texas Ethics Commission.

City Council Responsibilities
The City Council holds ultimate fiduciary responsibility for the portfolio. It will designate investment officer(s), receive and review quarterly reporting, approve and provide for investment officer training, annually approve broker/dealers, and annually review and adopt the Investment Policy and Strategy.

VI. PRUDENCE AND CONTROLS

The standard of prudence to be applied to all City investments shall be the "prudent person" rule, which states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds under the City's control over which the officer has responsibility rather than a consideration as to the prudence of a single investment.

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall be responsible but not liable for a specific security's credit risk or market price changes, provided that these deviations are reported immediately, and that appropriate action is taken to control adverse developments.

Internal Controls

The Investment Officer is responsible for establishing and maintaining internal controls to reasonably assure that assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and, the valuation of costs and benefits requires ongoing estimates and judgments by management.

The internal controls shall address the following points at a minimum:

Control of collusion,
Separation of transaction authority from accounting and record keeping, Safekeeping of owned and pledged securities,
Clear delegation of authority,
Written confirmation for all transactions, and
Review, maintenance, and monitoring of security procedures both manual and automated.

Annually the Investment Officer shall perform an internal compliance audit to assure compliance with requirements of this Policy and the Act. Annually, the City's external auditor shall review the quarterly reports.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain the cash flow requirements of the City. The Investment Officer will analyze needs and maintain a cash flow plan to monitor and forecast cash positions for investment purposes.

Competitive Bidding

All security transactions will be made on documented competitive bid basis to assure the City is receiving the best available market rates. When issued US agency securities should be compared to other securities available in the secondary market to determine competitiveness.

Monitoring Credit Ratings

The Act requires that securities requiring a specific credit rating must be liquidated if the rating falls below the minimum rating. The Investment Officer shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio for which the policy requires a credit rating. The rating should be based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Council of the loss of rating, and liquidation options within two days.

Monitoring FDIC Status for Mergers and Acquisitions

A merger or acquisition of brokered CDs into one bank reduces FDIC coverage. The Investment Officer shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CD securities owned by the City based upon information from the FDIC (fdic.gov). If any bank has been acquired or merged with another bank in which brokered CDs are owned by the City, the Investment Officer or Adviser shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

VII. AUTHORIZED INVESTMENTS

Assets of the City may be invested only in the following instruments as further defined by the Act. If changes are made to the Act they will not be authorized until this Policy is modified and adopted by the City Council. All investment transactions will be made on a competitive basis.

A. Obligations of the United States Government, its agencies and instrumentalities with a maximum stated maturity of two (2) years excluding mortgage-backed securities.

B. Fully insured or collateralized depository certificates of deposit from banks in Texas, with a maximum maturity of two (2) years insured by the Federal Deposit Insurance Corporation, or its successor, or collateralized in accordance with this Policy.

C. AAA rated, Texas Local Government Pools which strive to maintain a $1 net asset value (NAV) in accordance with the Act and authorized by resolution of the City Council.

D. AAA rated, SEC registered money market mutual funds in compliance with SEC Rule 2a-7 and striving to maintain a $1 net asset value.

E. FDIC insured or collateralized interest bearing and money market accounts from any FDIC insured bank in Texas.

Delivery versus Payment

All securities shall be purchased on a delivery versus payment (DVP) settlement basis. Funds shall not be released until receipt of the security by the City's approved safekeeping depository. The depository shall provide the City with proof of ownership or claim by an original document delivered to the City.

VIII. REPORTING

Quarterly Reporting

The Investment Officers shall prepare and submit a signed quarterly investment report to the City Council in accordance with the Act giving detail information on each portfolio and bank position and summary information to permit an informed outside reader to evaluate the performance of the investment program. The report will include the following at a minimum:

- A full description of each individual security or bank/pool position held at the end of the reporting period including the amortized book and market value at the beginning and end of the period,
- Unrealized gains or losses (book value minus market value),
- Overall change in market value during the period as a measure of volatility,
- Weighted average yield of the portfolio and its applicable benchmarks,
- Earnings for the period (accrued interest plus accretion minus amortization)
- Allocation analysis of the total portfolio by market sector and maturity, and
- Statement of compliance of the investment portfolio with the Act and the Investment Policy signed by the Investment Officer(s).

Market prices for the calculation of market value will be obtained from independent sources.

IX. FINANCIAL COUNTER-PARTIES

Depository

At least every five years, a banking services depository shall be selected through a competitive request for proposal [application] or bid process in accordance with the Texas Government Code 105. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization by the institutions shall be considered. If securities require safekeeping, the RFA/bid will request information on safekeeping services. The depository contract will provide for collateral if balances exceed the FDIC insurance balance per tax identification number.

All time and demand deposits in any depository of the City shall be insured or collateralized at all times in accordance with this Policy.

Other banking institutions, from which the City may purchase certificates of deposit or place interest bearing accounts, will also be designated as a depository for depository/collateral purposes. All depositories will execute a depository agreement and have the Bank's Board or Bank Loan Committee pass a resolution approving the agreement if collateral is required.

Security Broker/Dealers

All financial institutions, and broker/dealers who desire to transact business with the City must supply the following documents to the Investments Officer(s).

- Financial Industry Regulatory Authority (FINRA) certification and CRD #
- Proof of Texas State Securities registration (if brokers)

Each broker/ dealer will be sent a copy of the City's investment policy. If material changes are made to the policy, the new policy will be sent to the entities.

A list of qualified broker/dealers will be reviewed at least annually by the City Council. In order to perfect the DVP process the banking services depository, or its brokerage subsidiary, will not be used as a broker.

Each local government pool must be provided a copy of the City's current Investment Policy and certify to a review of the Policy stating that the pool has controls in place to assure only Policy approved investments will be sold to the City.

X. COLLATERAL

Time and Demand Deposits Pledged Collateral
All bank time and demand deposits shall be collateralized above the FDIC coverage by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, collateral will be maintained and monitored by the pledging depository at 102% of market value of principal and accrued interest on the deposits. The bank shall monitor and maintain the margins on a daily basis.

Collateral pledged to secure deposits shall be held by an independent financial institution outside the holding company of the depository. The collateral agreement with the depository shall be approved by resolution of the Bank Board or Bank Loan Committee. The Custodian or bank shall provide a monthly report of collateral directly to the City.

All collateral shall be subject to inspection and audit by the City or its independent auditors.

XI. Authorized Collateral

Only the following securities are authorized as collateral for time and demand deposits or repurchase agreements:

A. Federal Deposit Insurance Corporations (FDIC) insurance coverage.
B. Obligations of the United States, its agencies or instrumentalities, or evidence of indebtedness of the United States guaranteed as to principal and interest including mortgage-back securities (MBS) and collateralized mortgage obligations (CMO) which pass the bank test.
C. Letter of Credit from the Federal Home Loan Banks (FHLB).

Preference will be given to pledged collateral securities.

XII. SAFEKEEPING

All purchased securities are to be cleared to the City's safekeeping agent on a delivery versus payment (DVP) basis. All safekeeping arrangements shall be approved by the Investment Officer and an agreement of the terms executed in writing. The independent third-party safekeeping agent shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, CUSIP number, and other pertinent information.

XIII. INVESTMENT POLICY ADOPTION

The City's Investment Policy shall be reviewed and adopted by resolution of the City Council no less than annually. Any changes made to the Policy must be noted in the adopting resolution.